

ECONOMIC DEVELOPMENT ADVISORY BOARD

January 8, 2015

The Economic Development Advisory Board of the City of Norman, Cleveland County, Oklahoma, met in the Municipal Building Conference Room at 201 West Gray on the 8th day of January, 2015, at 8:30 a.m. Notice and agenda of the meeting were posted at the Municipal Building 48 hours prior to the beginning of the meeting.

MEMBERS PRESENT:

Hossein Farzaneh
Ben Graves
Alexander Holmes
Edd Painter
Renee Porter
Chuck Thompson, Chairman

MEMBERS TARDY

Chris Purcell

MEMBERS ABSENT:

None

STAFF PRESENT:

Mr. Jeff Bryant, City Attorney
Mr. Anthony Francisco, Director of Finance
Ms. Brenda Hall, City Clerk
Mr. Shawn O'Leary, Director of Public Works
Ms. Kathryn Walker, Assistant City Attorney

OTHERS PRESENT:

Mr. Darry Stacy, Cleveland County Commissioner
Mr. Don Wood, Executive Director, Norman
Economic Development Coalition

Item 1. Approval of the October 2, 2014, meeting minutes.

Member Painter moved that the minutes be approved, as corrected, and the filing thereof be directed, which motion was duly seconded by Member Holmes;

Items submitted for the record

1. Norman Economic Development Board minutes of October 2, 2014

and the question being upon approval of the minutes, as corrected, and upon the subsequent directive, a vote was taken with the following result:

YEAS:

Members Farzaneh, Graves, Holmes, Painter, Porter,
Purcell, and Chairman Thompson

NAYES:

None

Chairman Thompson declared the motion carried and the minutes, as corrected, approved; and the filing thereof was directed.

Items 2, 3, and 4 were discussed together.

Item 2. Discussion and Possible Action Regarding Campus Corner/Downtown Norman Parking Authority.

Item 3. Discussion and possible action regarding Memorandum of Understanding between the City of Norman and Cleveland County.

Item 4. Discussion and possible action regarding Parking Study update.

Chairman Thompson said in its October meeting, EDAB discussed the possible creation of a Parking Authority to address Campus Corner and Downtown Norman parking needs. Draft trust documents were provided without a determination regarding composition of trustees. After considerable discussion about potential ways to involve stakeholders, Staff was asked to bring back a suggestion on this issue.

Potential stakeholders included Cleveland County and the University of Oklahoma (OU). County officials attended the October meeting and expressed an interest in partnering with the City to create a public trust and possibly share in the funding of an update to the 2003 Carter Burgess Parking Study.

Chairman Thompson said OU recently announced plans for additional parking garage structures on campus to address student parking needs. Additional Campus Corner area parking, presumably located off-campus, would appear to serve the interest of the area retailers and customers more than those of OU, although OU has expressed a willingness to explore how parking in the Campus Corner area could benefit both the City and OU.

In the October meeting, EDAB also requested the Norman Convention and Visitors Bureau allow an EDAB member to participate in discussions of an Exposition Center Study. Mr. Dan Schemm, Director of NCVB, invited Chairman Thompson to attend the first meeting and Chairman Thompson said he will summarize discussions in a report to EDAB at the conclusion of the study.

Mr. Bryant said a Council Conference is scheduled for Tuesday, January 13, 2015, to update Council on the activities of EDAB and it would be helpful to have a recommendation from EDAB on a trust authority at that time.

Chairman Thompson felt it might be more helpful if trustees have certain skill sets or expertise rather than an elected official that may have likability, but not necessarily the skill set needed to oversee that type of business. He has heard about and witnessed incidents where elected officials were unable to conduct business at hand due to politics at play.

Member Porter asked if EDAB, as a body, has decided to create a new trust authority instead of using an existing trust authority and Chairman Thompson said when the County and OU became involved in discussions that became a possibility, but EDAB has not come to the end of that dialogue. He said until there is an understanding as to whether or not the County wants to be officially involved, it is hard to determine how the trust authority should be structured. Chairman Thompson said while EDAB has not made a decision on the final trust structure, they are excited the County is open to and willing to enter into dialogue to create this opportunity of cooperation.

Member Painter wondered if the 2003 Parking Study should be updated first in order to determine if it is feasible to move forward with a Parking Authority Trust before creating the structure and negotiating with the County and OU.

Items 2, 3, and 4, continued:

Ms. Kathryn Walker, Assistant City Attorney, said State law forbids institutions of higher learning, including OU, from accepting a beneficial interest in a public trust. Given the legal parameters of what entities could be designated as beneficiary of a public trust serving as a parking authority, the following trustee composition for the proposed parking authority might be considered:

Equal number of trustees appointed by the City of Norman and appointed by the Cleveland County Commissioners, and an additional odd number of trustee(s) appointed by the City and County trustees.

This structure ensures the funding stakeholders are equally represented while allowing the flexibility for other appropriate interests to be represented by other trustee position(s). To facilitate majority vote decision making, it is suggested that an odd number of trustees be appointed, i.e., two County representatives, two City representatives, and one at-large trustee appointed by the trustees or three County representatives, three City representatives, and one at-large trustee appointed by the trustees.

Member Holmes felt public trusts should be administered by public officials wearing multiple hats, not citizens. He has seen horrible abuses of public trusts when done otherwise and has personally pressed for legislation that creates that dominated notion of trusts. Mr. Jeff Bryant, City Attorney, said there are only three County Commissioners so it makes it difficult for them to serve as trustees since they would have to post an agenda because there would be a quorum when attending meetings. He said there has been discussion of creating a five member authority or seven member authority and that is something EDAB may want to discuss further. Chairman Thompson asked Staff to instruct members on the legal aspects of creating a Trust Authority structure and allow EDAB, as a group, to discuss and vote on the best structure to be recommended to Council. Mr. Bryant said EDAB has been given all available information on trust structures in previous meetings and as far as legal requirements, trustees must be 21 years old, have no felonies, etc. Chairman Thompson asked if it is the City Attorney's opinion that trustees do not have to be elected officials and Mr. Bryant said yes; however trustees can be elected officials.

Chairman Thompson said the Carter Burgess firm was acquired by Jacobs Engineering in 2007, and when asked for a cost estimate to update the parking study prepared by Carter Burgess, Jacobs Engineering stated it would cost approximately \$120,000. The update would result in a new comprehensive parking study that would address parking needs in the desired areas. Mr. Shawn O'Leary, Director of Public Works, said although this is a ballpark figure, it is probably close to what the actual cost will be. Chairman Thompson said this information has been forwarded to the County and it is hoped the City and County can partner in the effort to update the study. He said this information will be critical to moving forward to address parking needs in the community and although the County has shown interest in participating, nothing formal has been done.

Chairman Thompson said Staff prepared a draft letter to City Council on behalf of EDAB, encouraging Council to move forward with an update of the 2003 Parking Study, and if possible, partner with the County to achieve the update. Mr. Darry Stacy, Cleveland County Commissioner, said there is a lot of wisdom in updating the study first because there may be more things to consider once the update has been received as far as the structure of a trust authority. He said there is no reason the City of Norman and the County cannot continue working on the Memorandum of Understanding (MOU) and if the study finds it conducive to both entities, EDAB can proceed with execution of the MOU.

Chairman Thompson said prior to the County becoming involved in discussions EDAB had decided to recommend the City move forward with an update to the study. After dialogue with the County began to open up it was thought the County might participate in helping fund the update as well as participate in the trust authority. He felt EDAB should stick to the first plan of action in recommending the City move forward with updating the study then allow the County to help with some of that cost if they so choose.

Items 2, 3, and 4, continued:

Mr. Anthony Francisco, Director of Finance, said the formation of the Parking Authority should not hinge on the feasibility of the updated study as the Parking Authority would be the entity to receive the study and weigh in on the results of the study. Chairman Thompson agreed and said there seems to be the consensus of that among the Committee as well.

Member Graves asked what the Committee will do during the time it takes to complete the study as he felt meetings needed to continue and the County be encouraged to move along with deciding whether or not they want to participate.

Chairman Thompson asked about the timeline of the update to the study and Mr. O'Leary said it will take about nine to twelve months, but there will be interim updates to EDAB and Council during the process. Chairman Thompson said updates to the Committee would probably be quarterly. Commission Stacy said the County Industrial Authority will be the County entity involved in the study and feels they should receive updates as well.

Mr. Bryant said it would be helpful if EDAB made a formal recommendation on whether or not to pursue a multi-jurisdictional parking authority.

Member Porter moved that a recommendation to Council to update the 2003 Parking Study to include the entire city limits of Norman specifically the central portion of Downtown Norman be approved, which motion was seconded by Member Holmes;

Items submitted for the record

1. Memorandum dated November 25, 2014, from Kathryn L. Walker, Assistant City Attorney, through Jeff H. Bryant, City Attorney, to Members of the Economic Development Advisory Board
2. Parking Authority Composition
3. Parking Study Recommendation

and the question being upon approving a recommendation to Council to update the 2003 Parking Study to include the entire city limits of Norman more specifically the central portion of Downtown Norman, a vote was taken with the following result:

YEAS:

Members Farzaneh, Graves, Holmes, Painter, Porter, Purcell, and Chairman Thompson

NAYES:

None

Chairman Thompson declared the motion carried and a recommendation to Council to update the 2003 Parking Study to include the entire city limits of Norman specifically the central portion of Downtown Norman was approved.

Item 5. Discussion regarding information needed to review and evaluate Economic Development Analysis Software Tools.

Item 5 was not discussed.

Item 6. Review of other items recommended for Committee review by City Council.

- a. West Main/Ed Noble Parkway Revitalization recommendations**
- b. Transient Guest Room Tax Allocation**
- c. Analysis of Economic Feasibility of Cultural Facilities as part of the UNP TIF District.**
- d. Request for Proposal for Water/Wastewater Reclamation Financing Study**

Item 6 was not discussed.

Item 7. Miscellaneous Discussion.

Chairman Thompson asked Staff if it would be appropriate to schedule EDAB meetings every other month instead of every month while waiting for the study update. He felt meeting every other month would be a more appropriate use of time and Members agreed. Member Porter said her only concern would be if something came up that might require EDAB to meet and Mr. Bryant said if something came up, a special meeting could be scheduled. Chairman Thompson said he would entertain a motion to change regularly scheduled meeting to every other month, which would put the next meeting in March.

Member Graves moved that EDAB's regularly scheduled meetings be changed to every other month with the next meeting scheduled on March 5, 2015, which motion was duly seconded by Member Porter; and the motion upon changing EDAB's regularly scheduled meetings to every other month with the next meeting scheduled on March 5, 2015, a vote was taken with the following result:

YEAS:	Members Farzaneh, Graves, Holmes, Painter, Porter, Purcell, and Chairman Thompson
NAYES:	None

Chairman Thompson declared the motion carried and EDAB's regularly scheduled meetings were changed to every other month with the next meeting scheduled on March 5, 2015.

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Mr. Don Wood, Executive Director of Norman Economic Development Coalition, (NEDC), provided an update on the University North Park (UNP) Corporate Center. He said the UNP Corporate Center has been a great project and several entities have worked together to make it happen. He said OU Foundation sold NEDC sixty acres at \$1.25 per square foot, which is a bargain basement price that makes it easier to recruit businesses. When the UNP Tax Increment Finance (TIF) District was created, an economic development element to the area was added. He said a little over \$8 million dollars is available for economic development purposes in the area. He said this money helps pay interest on loans with the agreement the money will be paid back with the sale of lots so NEDC is not looking for that money to be permanently spent on interest, but paid back to the City. He said that money is used as an incentive pool to make projects work within the area, which helps move projects forward. Originally NEDC wanted to sell two lots before starting infrastructure improvements; however, that was problematic since lots with infrastructure sell better. NEDC obtained a \$2.5 million Economic Development Association (EDA) grant to help pay for part of the infrastructure and received \$360,000 for industrial access roads through the Oklahoma Department of Transportation (ODOT).

Item 7, continued:

Mr. Wood said NEDC obtained three loans for the land, infrastructure, a line of credit, and eleven different banks participated in the loan process. He said NEDC has a total of six lots for sale that are pad ready. The next step will be improvements to the pond area that will include sidewalks; sprinkler system; trees; lighting; fountains in the pond; and a bridge across the pond.

Mr. Wood said NEDC has strict criteria on who can purchase a lot and are being very careful not to interfere with private developers. He said because NEDC is using public funds and does not want to compete with the private sector for normal business in the community. He said if a business cannot meet the criteria, they cannot purchase a lot.

Mr. Wood said there are six advanced manufacturing sites and the first lot sold went to Immuno Mycologics, Inc., a local company expanding to a point that qualifies them as creating enough new jobs to be able to be in the area. He said the company currently leases additional space in downtown Norman to handle overflow of their business, but want everything in one location.

Mr. Wood said when dealing with potential companies looking to locate in Norman, it is essential to have pad ready sites, the key to making the economic development area work. He said one company was looking for a location to construct their corporate headquarters and wanted a lot that was site ready, an area with a water feature, and a site with airport access. He said this area is able to provide all of those features.

Mr. Wood said NEDC will spend \$100,000 for public art to be placed at the roundabout, which will set the tone for the entire project area. New brochures have also been printed and are ready to be distributed.

Member Porter asked the general dimensions of the building to be constructed for the manufacturing company and Mr. Wood said it would be approximately 60,000 square feet with three stories. He said parking will be limited so if a business came in wanting to construct an eight story building with 600 employees, there would be a parking shortage; however, three acres have been set aside for additional parking if needed. He said currently one parking space per 300 square feet of building is calculated in construction plans. He said some manufacturing companies will be operating 24 hours a day so there will be an overlap of employee parking. He said cross parking easements are in the dedication of the land itself. Member Porter asked what economic impact is expected with this project and Mr. Wood said there would a payroll of \$20 million per year for this project.

Member Holmes asked if the area has an architectural requirement and Mr. Wood said yes, two Architectural Review Committees review projects. He said NEDC would like buildings to use similar brick and glass, which makes project sites seem larger than they actually are. He said each building will have its own personality, but not be so different that it looks out of place.

Member Painter asked what the price of the lot that had been sold and Mr. Wood said \$1,150,000 which is approximately \$5.25 per square foot. He said there were incentives to the company for job creation and NEDC sold them the land at a price where the company could assign those benefits for job creation payments back to NEDC. He said part of the reason for that was because the company was looking at other options which included leaving Norman. He said it also helps to have that first anchor tenant in place constructing a \$10 million facility.

Item 7, continued:

Chairman Thompson said when the OU Foundation sold the land to NEDC they placed a stipulation in the deed that the land cannot be used for speculation. He said the OU Foundation also created reclamation rights so if for any reason the property does not sell, the OU Foundation has the right to re-purchase the land; however, the City has a reclamation right that precedes the OU Foundation's right. He said in his thirty years in the banking business, he has never seen such a cooperative process between a University, City, and economic development authority in finding ways to make all this work. He said to have eleven commercial banks willing to agree on a financing mechanism is phenomenal. He commended Mr. Wood for doing a great job of recruiting economic development in Norman.

Chairman Thompson said incentives come from the difference between what the OU Foundation sold the land for and the land's fair market value. He said at this time, the City of Norman has not chosen to offer economic incentives to bring employers to Norman. He said all current economic development tools are State tools so Norman's economic development efforts have to include creating incentives from things outside of what the municipal government has been able to allow. He hopes that as the community sees these successes, EDAB will be able to find ways to offer incentives with appropriate clawbacks to hold businesses accountable for job creation without having to acquire money from taxpayers.

The meeting adjourned at 9:57 a.m.